

A N N U A L R E P O R T



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THE GOODYEAR TIRE AND RUBBER COMPANY OF CANADA, LIMITED

FOR THIRTY-EIGHT CONSECUTIVE YEARS IT HAS BEEN TRUE



MORE PEOPLE RIDE ON GOODYEAR TIRES THAN ON ANY OTHER KIND

A N N U A L R E P O R T

TO THE SHAREHOLDERS

THE GOODYEAR TIRE AND RUBBER

COMPANY OF CANADA • LIMITED

NEW TORONTO • ONTARIO

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1952



Head Office entrance of Goodyear-Canada. Here the main plant produces tires and tubes with separate plants producing Airfoam and Pliofilm. Other buildings house the power house and machine shop. Total floor space in six buildings is approximately 21 acres.

GENERAL OFFICES

NEW TORONTO, ONT.

FACTORIES

NEW TORONTO, ONT.

BOWMANVILLE, ONT.

QUEBEC CITY, QUE.

COTTON PLANT

ST. HYACINTHE, QUE.

BRANCHES

SAINT JOHN, N.B.
112 Princess St.

QUEBEC, QUE.
204 Dorchester St.

MONTREAL, QUE.
2050 Côte de Liesse Road

TORONTO, ONT.
622 Fleet St. West

LONDON, ONT.
539 Richmond St.

WINNIPEG, MAN.
97 Higgins Ave.

REGINA, SASK.
1118 Broad St.

SASKATOON, SASK.
302 Pacific Ave.

CALGARY, ALTA.
238-11th Ave. East

EDMONTON, ALTA.
10355-105th St.

VANCOUVER, B.C.
1004 Hamilton St.

WHOLESALE DISTRIBUTORS

HALIFAX, N.S.
Maritime Accessories Limited, Sackville and South Park Sts.

ST. JOHN'S, NFLD.
A. E. Hickman Company Limited

BOARD OF DIRECTORS

P. W. LITCHFIELD, *Chairman*, AKRON

R. C. BERKINSHAW, C.B.E., TORONTO

P. A. THOMSON, MONTREAL

P. E. H. LEROY, AKRON

E. J. THOMAS, AKRON

A. W. DENNY, TORONTO

OFFICERS

R. C. BERKINSHAW, *President and General Manager*

A. W. DENNY, *Vice-President*

H. G. HARPER, *Vice-President*

R. W. RICHARDS, *Vice-President*

C. B. COOPER, *General Sales Manager*

D. C. CARLISLE, *Treasurer*

K. E. KENNEDY, *Secretary and General Counsel*

J. G. WILLIAMS, *Comptroller*

J. W. PHILP, *Assistant Treasurer*

G. G. MERRITT, *Assistant Treasurer*

A. E. ROBINETTE, *Assistant Secretary*

C. W. J. EVANS, *Assistant Comptroller*

W. N. FERGUSON, *Assistant Comptroller*

ANNUAL REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting herewith the consolidated balance sheet of the Company and its subsidiaries as of December 31 1952 and the consolidated statements of profit and loss and earnings retained and used in the business which set forth the financial position of the consolidated companies and the result of their operations for the year 1952. The report of the Company's auditors, Price Waterhouse & Co., is also attached.

The consolidated net profit for the year amounted to \$4,337,795 and after providing for dividends on the preferred shares outstanding, is equivalent to \$15.69 per share on the outstanding common stock.

The following summary sets out the manner in which the profits for the year have been applied:

FUNDS PROVIDED

Consolidated net profit for the year.....	\$4,337,795
Add—Provision for depreciation.....	1,593,822
	<u>\$5,931,617</u>

DISPOSITION OF FUNDS

Dividends on four per cent preferred stock.....	\$ 302,796	
Dividends on common stock—\$4.00 per share.....	1,029,040	\$1,331,836
		<u>82,850</u>
Preferred stock redeemed and cancelled.....		2,044,592
Expenditures on plant and equipment (net).....		210,402
Increase in investments and other assets.....		<u>\$3,669,680</u>
Increase in net current assets or working capital.....		2,261,937
Total as above.....		<u>\$5,931,617</u>

The inventories of raw material, work in process and finished goods have been thoroughly reviewed and have been valued on the basis of the lower of average cost or market except in the case of unprocessed rubber on hand and in transit which, in accordance with the Company's practice, was valued at cost as determined by the last-in, first-out method.

The capital expenditures during the year amounted to \$2,044,592. These expenditures represented the cost of additional plant and equipment for the improvement of production facilities. The expansion program initiated in 1951 and involving the erection of new factory buildings on the New Toronto property, including the installation of the required equipment, has been delayed due to difficulties in procuring delivery of steel and other construction material but it is expected this plant will be in operation by the end of 1953.

Subject to your approval and that of the Department of National Revenue, a non-contributory pension plan will become effective on January 1 1953 for the employees who are included under collective bargaining agreements at the New Toronto and Bowmanville factories and the present contributory pension plans will be discontinued with respect to these employees. This change may lead to some variation of the Company's pension programs for other employees. A provision of \$400,000 has been made in the 1952 accounts to satisfy the net estimated cost of additional annuities for employees who attained the age of sixty-five on or before December 31 1952. The non-contributory plan and attendant variations of the contributory pension contracts will introduce a substantial additional cost in the future for employee pensions.

Working capital was increased by \$2,261,937 as a result of the year's operations and the balance sheet reflects the strong financial position of the Company. It will be noted that the Company had no bank indebtedness at December 31 1952.

Due mainly to exchange and import restrictions in foreign countries, sales in the export field showed a marked decline as compared with those of the previous year, but despite this fact, your Company's total volume of sales remained substantially the same as it was in 1951.

New records were established in total output and further improvements were made in plant facilities to enable your Company to keep pace with the ever-growing demand for its products in this country.

During the year your Company introduced several new products to the Canadian market, including the new "Plus 10" Double Eagle nylon passenger tire, the improved LifeGuard tube which combines puncture-sealing properties with complete blow-out safety, and the exceptionally popular "Suburbanite" tire for winter driving.

A step which has been acclaimed as one of the most important truck tire developments in a decade was the introduction by your Company of the first all-nylon truck tires with long-wearing qualities and greater protection against injury. In addition, the first Canadian production of earthmover tires was initiated in your New Toronto plant. These mammoth tires can be seen in action wherever large construction projects are being undertaken in this country.

The demand for your Company's industrial rubber products has continued at a reasonably high level.

"Airfoam", the luxurious cushioning material made by Goodyear, has increased its margin of preference in the furniture, automotive and transportation fields, while the many advantages of "Pliofilm" have stimulated the customer demand for this product.

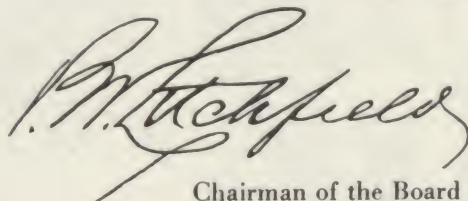
Sales of "Neolite" and molded rubber goods manufactured at your Company's Quebec plant have contributed in no small measure to the over-all satisfactory sales picture.

We wish to call attention again to the factor of taxation in your Company's operations. Taxes of all kinds paid by your Company during 1952 amounted to \$12,608,080 equivalent to \$49.01 per share of issued Common stock. It is our opinion that the imposition of sales and excise taxes to a total of 25% on tires and tubes is economically unsound. These commodities play an essential part in the Canadian economy, the cost of living and of earning a living for a large cross-section of the Canadian public.

We record, with a deep feeling of loss, the passing of Mr. A. G. Partridge, on March 12 1952. Mr. Partridge became President of the Company in 1936 and on his retirement from that office in February 1952, was elected Vice-Chairman of the Board. He was respected by all who had the privilege of knowing him. His wise counsel and sound judgment will be greatly missed.

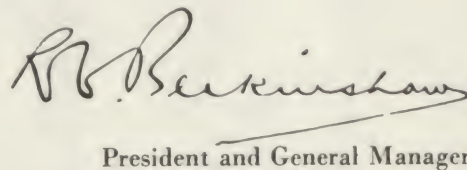
The position which your Company has attained in the industry is due in large measure, to the loyalty, efficiency and conscientious efforts of all the members of the organization and your Directors extend to them their warmest thanks for the excellent job which they have done throughout the year.

On behalf of the Board.



J. M. Litchfield

Chairman of the Board



R. B. Beckinslow

President and General Manager

March 28 1953

THE GOODYEAR TIRE AND RUBBER COMPANY OF

CONSOLIDATED

ASSETS

	December 31 1952	December 31 1951
CURRENT ASSETS:		
Cash.....	\$ 709,624	\$ 139,725
Accounts receivable, less reserve—1952—\$568,357; 1951— \$521,611.....	6,624,378	8,382,953
Inventories at average cost or market whichever is lower, except as to unprocessed rubber on hand and in transit which was valued at cost as determined on the last-in first- out basis.....	17,076,969	19,212,047
TOTAL CURRENT ASSETS.....	\$24,410,971	\$27,734,725
INVESTMENTS AND OTHER ASSETS:		
Mortgages, agreements of sale, etc.....	\$ 688,175	\$ 488,205
Deferred charges to future operations.....	154,432	144,000
	\$ 842,607	\$ 632,205
PROPERTY ACCOUNTS:		
Land, buildings, machinery and equipment.....	\$29,068,972	\$27,261,638
Less—Reserve for depreciation.....	21,165,343	19,808,779
	\$ 7,903,629	\$ 7,452,859
	\$33,157,207	\$35,819,789

CANADA, LIMITED AND SUBSIDIARY COMPANIES

BALANCE SHEET

LIABILITIES

	December 31 1952	December 31 1951
CURRENT LIABILITIES:		
Bank Overdraft.....	\$	\$ 6,051,321
Accounts payable.....	4,394,571	3,890,419
Accrued income and other taxes payable.....	2,138,772	2,176,465
Preferred stock dividend payable.....	75,579	76,408
TOTAL CURRENT LIABILITIES.....	\$ 6,608,922	\$12,194,613

SHAREHOLDERS' EQUITY:

Capital Stock:

Four per cent. Cumulative Redeemable Sinking Fund
Preferred Stock (Par Value \$50.00 per share):

Authorized and outstanding—1952—151,158 shares;
1951—152,815 shares.....

\$ 7,557,900 \$ 7,640,750

Common stock, no par value:

Authorized—290,660 shares; issued—257,260 shares..

128,630 128,630

Capital Surplus.....

692,350 692,350

Reserve for Contingencies.....

1,000,000 1,000,000

Earned Surplus.....

17,169,405 14,163,446

\$26,548,285 \$23,625,176

\$33,157,207 \$35,819,789

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Year ended December 31	
	1952	1951
Profit from operations before providing for depreciation and income taxes.....	\$ 9,581,940	\$11,123,036
Other income.....	105,824	86,968
	<u>\$ 9,687,764</u>	<u>\$11,210,004</u>
Deduct:		
Provision for depreciation.....	\$ 1,593,822	\$ 2,780,691
Provision for income taxes.....	3,756,147	4,452,778
	<u>\$ 5,349,969</u>	<u>\$ 7,233,469</u>
Net Profit for the year.....	<u><u>\$ 4,337,795</u></u>	<u><u>\$ 3,976,535</u></u>

CONSOLIDATED EARNED SURPLUS STATEMENT

	Year ended December 31	
	1952	1951
Balance at beginning of year.....	\$14,163,446	\$11,521,624
Net profit for the year.....	4,337,795	3,976,535
	<u>\$18,501,241</u>	<u>\$15,498,159</u>
Deduct:		
Dividends:		
On four per cent. preferred stock.....	\$ 302,796	\$ 305,673
On common stock.....	1,029,040	1,029,040
	<u>\$ 1,331,836</u>	<u>\$ 1,334,713</u>
Balance at end of year.....	<u><u>\$17,169,405</u></u>	<u><u>\$14,163,446</u></u>

A U D I T O R S ' R E P O R T

PRICE WATERHOUSE & CO.

ROYAL BANK BUILDING
TORONTO

January 31 1953.

To the Shareholders of

THE GOODYEAR TIRE & RUBBER COMPANY
OF CANADA, LIMITED:

We have examined the consolidated balance sheet of The Goodyear Tire & Rubber Company of Canada, Limited and its subsidiary companies as at December 31 1952 and the related consolidated statements of profit and loss and earned surplus for the year ended on that date, and all our requirements as auditors have been complied with. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and related consolidated statements of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at December 31 1952 and the results of their operations for the year ended on that date according to the best of our information and the explanations given to us and as shown by the books of the companies.

Price Waterhouse Co.
Auditors.

GOODYEAR PRODUCTS SERVE CANADA



AUTO, BUS, TRUCK TIRES AND TUBES

On highways across the land, great numbers and great varieties of passenger cars, buses and trucks are meeting the needs of a transport system vital to Canadians.

The year 1952 marked the 38th consecutive year that Goodyear received an overwhelming vote of confidence from the motoring public and could once again claim—more people ride on Goodyear tires—more tons are hauled on Goodyear truck tires—than on any other kind.



INDUSTRIAL RUBBER PRODUCTS

As Canada develops its natural resources and industry, every mine, oilwell, factory, ship, railroad and shop is a prospect for Industrial Rubber Goods. The production of your company's Industrial Rubber Products Division includes over 500 types of hose, conveyor belts, V-belts, packing and molded goods, designed to maintain leadership and increase Goodyear sales in this important field.

AIRFOAM

The demand for Airfoam has continued to grow as more and more manufacturers have adapted this famous foam rubber cushioning to their products.

Gains have been registered in the use of Airfoam for furniture, mattresses, pillows and car and truck seat cushions.



PLIOFILM

Pliofilm scored new advances in all types of packaging. The year 1952 saw further acceptance of this tough transparent wrapping material in the self-serve meat field as well as the textile field. This, in addition to Pliofilm's wide use as a wrap for a variety of other items from apples to zippers, enhanced demand for the product.





FARM TIRES AND TUBES

Goodyear has been a leader in putting the farm on rubber and enabling the farmer to work more easily and efficiently. Today, all farm tractors and a large percentage of farm implements come equipped with tires. The Super Sure-Grip tractor tire has won high favour with farmers because of its outstanding field performance—in addition Goodyear makes a complete line of implement and special purpose farm tires.



OFF-THE-ROAD TIRES AND TUBES

Wherever new roads, new airports, new dams and new irrigation projects are under construction, you will find Goodyear tires. On the big jobs, Goodyear Sure-Grip, All-Weather and Hard Rock Lug Earthmovers have no superior—they help move more earth, faster, and at a lower cost. Some of these big "off-the-road" tires are more than seven feet in height and cost, with inner tubes, as much as the average car. They are produced at the New Toronto plant.

SHOE PRODUCTS

Neolite soles and straps continue to grow in popularity. They are exceptionally longer wearing and waterproof.

During the past year, a new form of this material for shoes was introduced in Canada—the cellular type Neolite crepe, which permits the lightest sports shoe sole ever made.

Goodyear shoe products include rubber soles, straps, heels, and cements.



AVIATION PRODUCTS

The prominence of your company's aviation division is attested by the many modern aids to aircraft safety developed by Goodyear—the cross-wind landing wheel, Pliocel light weight fuel tanks, Icinguard boots for de-icing, wheels, brakes and other developments which, over the years, have established Goodyear leadership in the field of Aviation.



THE GREATEST NAME IN RUBBER



TIRES

TUBES

LIFEGUARDS

BATTERIES

AUTOMOTIVE ACCESSORIES

BELTING

HOSE

PACKING

MOLDED GOODS

AIRFOAM

PLIOFILM

AVIATION PRODUCTS

NEOLITE

RUBBER SOLES AND HEELS

